

total exceeds the maximum carrier liability for the entire claim, the maximum carrier liability should be entered on DD Form 1843 as the amount demanded. Do not, however, change the total of the amounts for which the carrier is liable on the DD Form 1844.

(iii) If the amount the claimant receives from the Government is limited by application of a maximum allowance (or by depreciation on full replacement protection claims) leaving the claimant with an uncompensated loss, the claimant may be due reimbursement from recovery money after recovery is effected on the claim. Claimants with uncompensated losses who have basic coverage are only entitled to reimbursement from recovery money if the amount recovered exceeds the amount paid by the Government (unless the loss was in excess of the statutory maximum). Claimants with uncompensated losses who purchased Option 1 or Option 2 are entitled to reimbursement up to the value of their additional coverage. Such files should be marked: "claimant due carrier recovery." The claimant should be informed that recovery from the carrier is dependent on the amount and quality of the substantiation the claimant provided, and that the actual recovery may be less than anticipated. The claimant should further be informed that considerable time will elapse before recovery is effected and reimbursement made. Such claims should be processed for recovery action as expeditiously as possible.

(b) *Codes 4 and 6 (International and Hawaii).* On Codes 4 and 6, international GBL shipments, carrier liability is computed at \$.60 per pound multiplied by the weight of the article or carton as prescribed by the Joint Military-Industry Table of Weights. In cases where the entire shipment is lost or damaged, liability will be computed on the net weight of the shipment times \$.60 per pound. The net weight of the shipment may be obtained from the origin transportation office.

(c) *Codes 5 and T (International and Hawaii).* (1) A Code 5 shipment is the movement of household goods in Military Traffic Management Command (MTMC) approved door-to-door shipping containers (wooden boxes) and

where a carrier provides line-haul service from origin residence to a military ocean terminal. The Government, through the Military Sealift Command (MSC), provides ocean transportation to the designated port of discharge, and the carrier provides line-haul service to the destination residence.

(2) A Code T shipment is the movement of household goods where the carrier provides containerization at origin and transportation to the designated Military Airlift Command (MAC) terminal. MAC provides terminal services at both origin and destination, and air transportation to a designated MAC terminal. The carrier provides transportation to the destination residence.

(3) On Code 5 and T shipments, it is often difficult to decide whether the Government or the carrier was in actual custody of the shipment at the time of loss or damage. In order to reduce liability disputes in such situations, a 50-percent compromise agreement between industry and the military has been reached.

(4) When the 50-percent compromise is appropriate or applicable, the DD Form 1844 is prepared in the normal fashion utilizing weights indicated in the Military-Industry Table of Weights multiplied by \$.60 per pound. Two different sums should be listed for carrier liability at the bottom of the DD Form 1844, the amount of liability due under the 50-percent compromise and the full amount that will be offset if carrier fails to pay, e.g., "\$100.00 Code T, \$200.00 Full Liability." This same computation should be reflected in the "amount of claim" box on DD Form 1843 (Demand on Carrier/Contractor). If a carrier refuses to make a satisfactory settlement or fails to make a timely response to the demand, the carrier's full liability will be collected.

(d) *Codes 7, 8, and J (Unaccompanied Baggage Shipments).* *Gross Weight Rules.* Government payment to the carrier for transportation of unaccompanied baggage (Codes 7, 8, and J) is based upon gross weight of the shipment. Unless the inventory is prepared as a "Proper Household Goods Descriptive Inventory," computation of carrier liability for loss or damage incurred in a Code 7, 8, or J shipment will also be based upon gross weight. Gross weight is defined as